VZCZCXRO7147 PP RUEHFK RUEHKSO RUEHNAG RUEHNH DE RUEHKO #1234 1280841 ZNR UUUUU ZZH P 070841Z MAY 08 FM AMEMBASSY TOKYO TO RUEHC/SECSTATE WASHDC PRIORITY 4022 RUEKJCS/SECDEF WASHDC PRIORITY RUCPDOC/USDOC WASHDC PRIORITY RUEATRS/DEPT OF TREASURY WASHINGTON DC PRIORITY RUYNAAC/COMNAVFORJAPAN YOKOSUKA JA PRIORITY RHHMUNA/HQ USPACOM HONOLULU HI PRIORITY RHHMHBA/COMPACFLT PEARL HARBOR HI//N541// PRIORITY RHMFIUU/HQ PACAF HICKAM AFB HI//CC/PA// PRIORITY RUHBANB/OKINAWA FLD OFC US FORCES JAPAN CP BUTLER JA PRIORITY RHMFIUU/USFJ PRIORITY INFO RUEHFK/AMCONSUL FUKUOKA 7644 RUEHNH/AMCONSUL NAHA 0029 RUEHNAG/AMCONSUL NAGOYA 6002 RUEHKSO/AMCONSUL SAPPORO 8239 RUEHOK/AMCONSUL OSAKA KOBE 1323 RUEHBJ/AMEMBASSY BEIJING 3183 RUEHMO/AMEMBASSY MOSCOW 2276 RUEHUL/AMEMBASSY SEOUL 9200 RUCNDT/USMISSION USUN NEW YORK 9688 RHEHAAA/NSC WASHDC

UNCLAS TOKYO 001234

## SIPDIS

STATE FOR I/RF, PA/PR/FPC/W, IIP/G/EA, EAP/PD, R/MR, EAP/J, EAP/P, PM;
USTR FOR PUBLIC AFFAIRS OFFICE;
TREASURY FOR OASIA/IMI;
SECDEF FOR OASD/PA;
CP BUTLER OKINAWA FOR AREA FIELD OFFICE;
PACOM HONOLULU FOR PUBLIC DIPLOMACY ADVISOR

E.O. 12958: N/A

TAGS: OIIP KMDR KPAO JA

SUBJECT: TOKYO MEDIA REACTION - WORLD FOOD CRISIS

- 11. LEAD STORIES: There were no papers published on Wednesday morning due to a press holiday. Broadcasters reported on Chinese President Hu Jintao's arrival in Tokyo on Tuesday afternoon. NHK-TV and Kyodo News reported early Wednesday morning that Deputy Secretary of State Negroponte will visit South Korea, Japan, and China starting Wednesday.
- the world. One of the causes is the increasing production of bioethanol. Planting of wheat and soybeans has been decreasing due to the rising production of corn for bioethanol for car fuel. The consumption of cereals in China, India, and other emerging economies is growing, while Australia has just had a poor crop. On top of these factors, the flood of speculators into the grain markets is accelerating the hike in food prices.... The U.S. is mainly responsible for the two issues of bioethanol and speculation. The U.S. should review its policy of giving preferential treatment to bioethanol producers. The U.S. should immediately move to calm the current turmoil in the financial markets and create an environment in which Japan and other nations can work together to end speculation in the commodities market."

DONOVAN